



REPORT

To: ONE Joint Investment Board
From: Evelyn Foo, Chief Compliance Officer
Date: July 14, 2020
Re: Appointment of PwC as Auditors of the Prudent Investor Funds
Report: 20-022

1. RECOMMENDATIONS

It is recommended that:

The Board receive the report for information.

2. SUMMARY

The new Prudent Investment Program funds require an annual audit of a specialized nature. The ONE Investment Board has approved the audit firm of Price Waterhouse Coopers (PwC).

3. BACKGROUND

The Ontario Securities Commission (OSC) requires an annual audit of the newly created ONE Investment Prudent Investment Program funds.

ONE Investment has been granted an exemption by the OSC to create and administer investment funds as an Investment Fund Manager. Each investment fund is subject to an annual audit to ensure compliance with the applicable securities regulations. Each investment fund is considered a separate entity with tax calculations that must be addressed at the fund level as they are considered trusts under the *Income Tax Act*. Each investment fund must flow out amounts to its beneficiaries so that it is not tax liable.

4. ANALYSIS

ONE Investment has approved PwC as the auditors for the ONE Investment's Prudent Investment Program offerings.

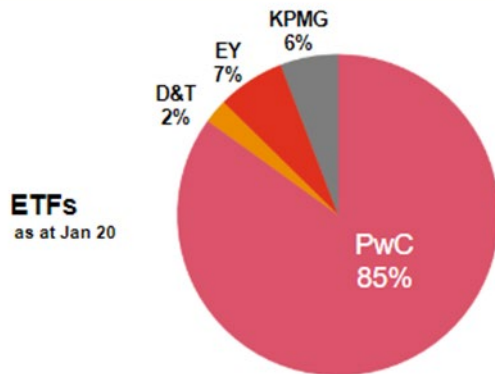
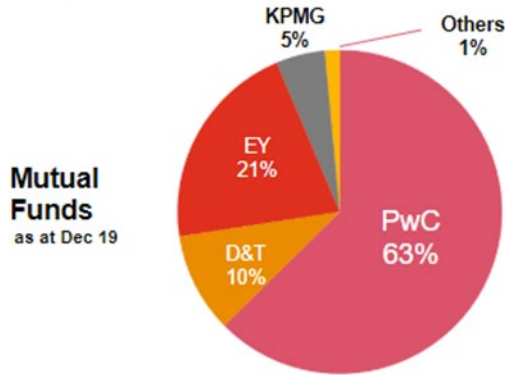
Following the recommendation of the ONE Investment Audit Committee, the ONE Investment Board approved the retention of PwC at its meeting on June 5, 2020.

Annual audits demonstrate a high level of accountability and transparency.

The choice of the firm to conduct the audit of these funds is a significant decision. The audit will provide assurance to the ONE Investment Board, ONE JIB and the participating municipalities that transactions are being appropriately included, best practices are incorporated, and the fund comply with securities regulations.

PwC audits 63% of Canadian mutual funds by assets under management (AUM)
PwC is a leading audit provider to exchange-traded funds (ETFs) and structured products, serving approximately 85% of ETFs by AUM.

Canadian audit market share by assets under management



Top 20 asset and wealth management clients

- AGF
- ATB (Compass)
- BMO Financial Group
- Beutel Goodman
- Capital International
- TF
- Dimensional
- Fidelity
- Desjardins
- Franklin Templeton
- IA Clarington
- Invesco
- MD
- Northwest & Ethical
- PIMCO Canada
- Primerica
- RBC
- Russell
- Scotia/Dynamic
- SEI

PwC has a working relationship with ONE Investment’s custodian and recordkeeper
PwC has a long working history with CIBC Mellon. Some of their clients with CIBC Mellon include:

- | | | | |
|------------|------------|-----------|---------------|
| Brandywine | Cumberland | AGF Funds | Fiera Capital |
| Invesco | SEI | Canoe | T. Rowe Price |

PwC has an extensive track record of working in the public sector, specifically auditing government agencies

- City of Toronto (and more than 30 related entities)
- City of Sudbury (and more than 5 related entities)
- Metrolinx
- Ministry of Transportation
- Ontario Provincial Controllers Division
- Public Works and Government Services Canada

- Toronto Transit Commission
- Greater Toronto Airports Authority
- Ontario Power Generation
- Ontario Capital Growth Corporation
- Infrastructure Ontario
- Toronto Parking Authority
- Toronto Community Housing Corporation
- Ministry of Economic Development, Employment, & Infrastructure

The combination of expertise in the investment fund space and their experience in the public sector position PwC to service the new Prudent Investor funds well.

Drafted by: Evelyn Foo, Chief Compliance Officer

Approved by: Judy Dezell and Donna Herridge, Co-Presidents/CEO